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September 1, 2006

Arizona Corporation Commission
Docket Control
1200 W. Washington
Phoenix, AZ 85007

Re: Docket No. E-00000D-05-0040

Dear Sir/Madam:

Attached are SRP's initial comments to the Draft 2006 Biennial Transmission Assessment Report.

Please feel free to contact me at (602) 236-5028 if you have any questions.

Sincerely,

Jana Brandt

Attachment

cc: Kelly Barr
Rob Kondziolka
Chuck Russell
Gary Romero

Arizona Corporation Commission

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**SRP's Comments on
Draft 2006 BTA Report**

Submitted September 1, 2006

General Comments

In several sections of the report, the use of the term "Commission" needs to be clarified to indicate whether the reference refers to the ACC or FERC.

In several areas of the report, the term "Western" is used. In some instances, we believe this refers to a geographical location or description. In the West, where Western Area Power Administration (WAPA) is predominant, the term "Western" generally refers to WAPA. Readers not familiar with the topic, or the entity, could misconstrue the reference.

A specific section on WECC activities, actions, and initiatives is recommended. Items such as Resource Adequacy and Westwide System Model should be included.

Addition of a glossary or dictionary to explain abbreviations and acronyms would be useful.

Specific Comments

Page 9, Section 1.3.2

Second line, change "third BTA" to "fourth BTA."

Page 10, Section 1.3.2.1

Item 3, after Dine Power Authority, add speaker's name – Steven Begay.

Page 13, Section 2.1 (Title XII Provisions)

Include a summary of DOE Report to Congress "National Electric Transmission Congestion Study" dated August 8, 2006 in this section.

Include a summary of Section 368 "Energy Corridors on Federal Lands" in the summary of key EPAct 2005 provisions.

Page 16, Section 2.2

Include a summary of WIRAB (Western Interstate Reliability Advisory Board) in this section or under Section 2.1.

Page 25, Section 2.2.5.1

Item 5, the report recommendation is listed, but no note of the WECC Westwide Interchange Scheduling Tool initiative. Alternatively, this could be addressed under WECC related items.

Page 37, Section 2.4

In the discussion of developing a renewable energy tracking system, a cross reference to the WECC WREGIS (Western Renewable Energy Generation Information System) should be made.

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Pages 43-64, Section 3

This section should include mention of WestConnect and the Regional Planning Initiative, Planning Principles with SWAT & CCPG, and WestConnect Objectives & Procedures for Regional Transmission Planning.

Page 46, Section 3.1.2

In the second sentence of the last paragraph, KEMA needs to clarify this sentence. It appears KEMA may be implying the WECC-S2 and WECC-S3 criteria are applied with N-1-1 conditions for planning criteria. System Operators are required to apply the WECC-S2 and WECC-S3 criteria to N-1-1 conditions when lines are taken out of service for maintenance or when a forced outage occurs.

Page 48, Section 3.1.2.1

Figure 1 - The figure appears to be a future condition, assuming certain additions. The East of River Path (Path 49) between Arizona and California/Southern Nevada in 2005 is 7550 and not 9000+.

Pages 49 & 50, Section 3.1.2.1

Figure 2 & Table 2 - The figure and table are missing WECC Path 54 (Coronado West)

Page 50, Section 3.1.3

In the second paragraph, in reference to the sentence that reads "No evaluations appear to be made of NERC category C or D criteria – multiple and extreme contingencies", KEMA needs to clarify what is meant by this statement. The 4th BTA includes the results of extreme contingency studies and notes the studies performed for the Palo Verde Hub. Category C studies are performed and some, such as those for the Palo Verde transmission system, are filed with WECC.

Page 52, Section 3.2

In the second paragraph, coordinated regional planning (CRP) isn't done to "*ensurethere are no duplicate or redundant facility additions.*" CRP is done to define system requirements and develop plans that afford utilities the opportunities to jointly develop those facilities to reduce the overall cost.

Page 54, Section 3.2.1

Figure 3 - This is an older map of the sub-regional planning groups. Additionally, WECC has requested it no longer be used due to the proprietary map background. SRP will provide a graphic of new updated sub-regional planning groups map that can be used.

Page 56, Section 3.2.1.1

The last two paragraphs should be updated with more recent information.

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Page 58, Section 3.2.1.2

Figure 5 - Use updated graphic without the WECC map background.

Page 58, Section 3.2.1.2

Two key new sub-committees not identified -- the SWAT Short Circuit Work Group and the Black Start & Restoration Work Group. The report also did not reference the work of the SWAT-New Mexico work group. Even though this is a New Mexico group, it is important to show that Arizona Utilities are conducting regional planning with adjacent states.

Page 60, Section 3.2.1.3

This section is outdated. No mention of the SSG-WI 2004/2005 study work.

Page 60, Section 3.2.1.4

David Areghini is the TEPPC Co-Chairman, not the Chairman.

Page 66, Section 4.1

Figure 6 - Map shows Silver Creek Substation, which should be Silverking. Map also shows Greenlee Substation, which has been renamed to Phil Young. The Yavapai Substation is not shown. Ocotillo should not be shown on this map.

Page 67, Section 4.1

Table 3 - Table 3 needs to be updated to reflect new transmission lines added since the 3rd BTA, not the 2nd BTA. The Saguaro to Tortolita 500kV line and the Browning 230kV Station should be included. A footnote might be added to this table to note 825MW of Combined Cycle Gas Fired Generation was added at Santan in 2005-2006.

Page 70, Section 4.3.1

Table 5 - In the second column titled "Actual or Expected," for the Years 2003 through 2012, the figures are missing a zero as they should be in the 10,000 range. A new row needs to be added for 2006 to reflect the increase in the Palo Verde West path by 505MW as a result of the upgrades on the Palo Verde to North Gila and Palo Verde to Devers lines. This increase should also be reflected in all the subsequent rows.

Page 71, Section 4.3.2

Referring to the first paragraph, last three sentences, the issues noted are not a Palo Verde transmission limitation. This is a G-2 (loss of two Palo Verde generating units) issue as required by planning standards WECC-S3. The limiting condition for the loss of two Palo Verde units is post-transient VAR margin on the California-Oregon Intertie (COI). The limit is independent of the transmission expansion at Palo Verde and could be addressed through various means. Some examples might be adding SVC in the northwest or modifying generators in the southwest to be more responsive to contingency events for loss of generation.

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Page 71, Section 4.3.2

Referring to the second sentence in the second paragraph, what is the basis for this statement? The combined Palo Verde East and Palo Verde West ratings is currently 10,275MW and exceed the total output of all of the Palo Verde interconnected generation. The latest set of Operating Studies do not note any limitations in generation operation for all lines in-service.

Page 71, Section 4.3.2

In the fourth paragraph that states staff's concerns, what is the basis for the 4th and 5th bullets? As noted, the transmission capability exceeds the output of all Palo Verde interconnected generation and Category D Extreme Contingency studies have been performed for the Palo Verde Hub and are noted in this report.

Page 80, Section 5.2

Table 6 - The project description for the first item in the table should read "Palo Verde to Devers and Hassayampa to North Gila 500kV lines."

Page 81, Section 5.2

Table 6 - The explanation in the column titled "CEC needed" for the first project (Hassayampa to Pinal West 500kV Line) listed on that page should note that TEP, ED2, ED3, and ED4 are participants as well as SWTC.

Table 6 - The title for the last item on that page should read "Pinal West to Southeast Valley/Browning 500kV Line." This project is incorrectly noted for completion in 2009. It should be noted for a 2011 completion.

Page 82, Section 5.2

Table 6 - The second item is incorrectly stated as "Series Capacitor Upgrade Project SCE's Participation with APS: Moenkopi - El Dorado 500kV Line." The Series Compensation on the Navajo Southern System is being upgraded and the participants are APS, SRP, TEP, BOR/Western. The project description needs to reflect an increase in transfer capability from northern Arizona to central Arizona.

Table 6 - Two SRP projects that do not require a CEC are not included in the table. The first project is the EOR 9300 Project that has achieved Phase 3 Status in the WECC Three Phase Path Rating Process. The project is scheduled for 2008 and will increase the East of River Path (Path 49) by 1250MW. The project involves the upgrade of series compensation on the Mead-Perkins and Navajo-Crystal 500kV lines, by-passing the Perkins Phase Shifting Transformer, and other elements. SRP is the project sponsor representing 16 owners. The second project is the upgrade of the Coronado 500kV Transmission system. The project is scheduled for completion for 2009 and involves the addition of the series compensation on the Coronado-Silverking 500kV line.

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Page 87, Section 5.5

The first paragraph incorrectly states the only Arizona interest in Path 49 is APS ownership in Hassayampa to North Gila. Arizona entities have the majority of interests in the Mead-Liberty, Mead-Perkins, and Navajo-Crystal lines that are part of Path 49.

On the third bullet, the project should be noted as "Upgrade of Path 49 to 9300MW" and involves the upgrade to the Mead-Perkins and Navajo-Crystal 500kV lines.

Page 88, Section 5.5

Figure 13 - The figure incorrectly shows the Moenkopi to El Dorado line as being upgraded and does not show the Mead-Perkins line as the line being upgraded.

Page 88, Section 5.5

In the last paragraph, the Path 49 short term upgrades will increase Path 49 to 8055MW, not to 8250MW, as shown.

Page 89, Section 5.5

In the first paragraph, the project sponsored by SRP is known as EOR 9300 and will increase Path 49 from 8055MW to 9300MW for an increase of 1250MW. When the Palo Verde to Devers II project is added, Path 49 is expected to increase to around 10,500MW. The EOR 9300 project is proposed for 2008.

Page 96, Section 5.10

This section does not address the proposal by TransCanada for the Inland Northern Lights Project. Other projects of significance that affect Arizona are the Harry Allen to Mead 500kV line that is currently under construction and scheduled to be placed in service in early 2007, the LS Power & Sierra Power proposals to build the Robinson Summit to Harry Allen 500kV lines and a second Harry Allen to Mead 500kV line.

Page 137, Section 9

Table 16 – Correct the project name to "Pinal West – Southeast Valley/Browning" and remove APS as a participant in the project. Clarify that where "Santa Cruz Water and Power Districts" is listed, this should instead include the entities ED2, ED3, and ED4.

Page 138, Section 9

Item 5f - Please see previous comments on Palo Verde Hub capacity and ability to handle the full output of the interconnected generation. SRP does not understand the basis for the conclusion that the "existing and near term planned Palo Verde transmission system fails to accommodate the full output of all new power plants interconnecting at the Palo Verde Hub except under an idealistic market delivery assumption."

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Page 139, Section 9

Item 6 - Please see previous comments on the WECC Path 49 (East Of River) expansion. The path from Arizona to California/Southern Nevada is being increased from 7550MW in 2005 to 10,500MW in 2009. SRP does not agree with the statement that "there is very little additional long-term firm transmission available to export or import energy over Arizona's transmission system."

Page 139, Section 9

Do you want the conclusion section to be stronger and specifically note the results of the Tenth Year Snap-Shot (N-1) Study? The SWAT-CATS-EHV study participants developed a joint 2015 base case for Central Arizona in order to assess the collective reliability impact of the transmission plans of individual transmission owners on the Arizona system. There were no base case or single contingency (N-1) problems found in the EHV system within the study area. However, some problems were identified in lower voltage systems, which will be addressed in the respective short-term planning processes of the individual owners.

Page 154, Appendix C

Need to add Santan 5 (Summer 582MW) to the table. We do not have the net generation value at this time, but will provide it later.

Page 157, Appendix D

This Appendix needs to be updated with current information.

Page 165, Appendix F

Three SRP projects are missing from the 2007 completion section. The first is the Browning to Dinosaur 230kV line (CEC Case 124). The second is the Orme to Anderson 230kV line. The third is the Loop-In of the Liberty to Orme 230kV line into Rudd.

Page 168, Appendix F

The Table is missing an SRP project for the 2011 completion date. The table should include the Desert Basin to Pinal South 230kV line. The CEC application is scheduled for Fall 2006. Santa Rosa – Pinal South 230kV project is reported twice -- once for completion by 2011 and again for TBD completion. The project should only be reported under the TBD completion status.